

Fig. 1.

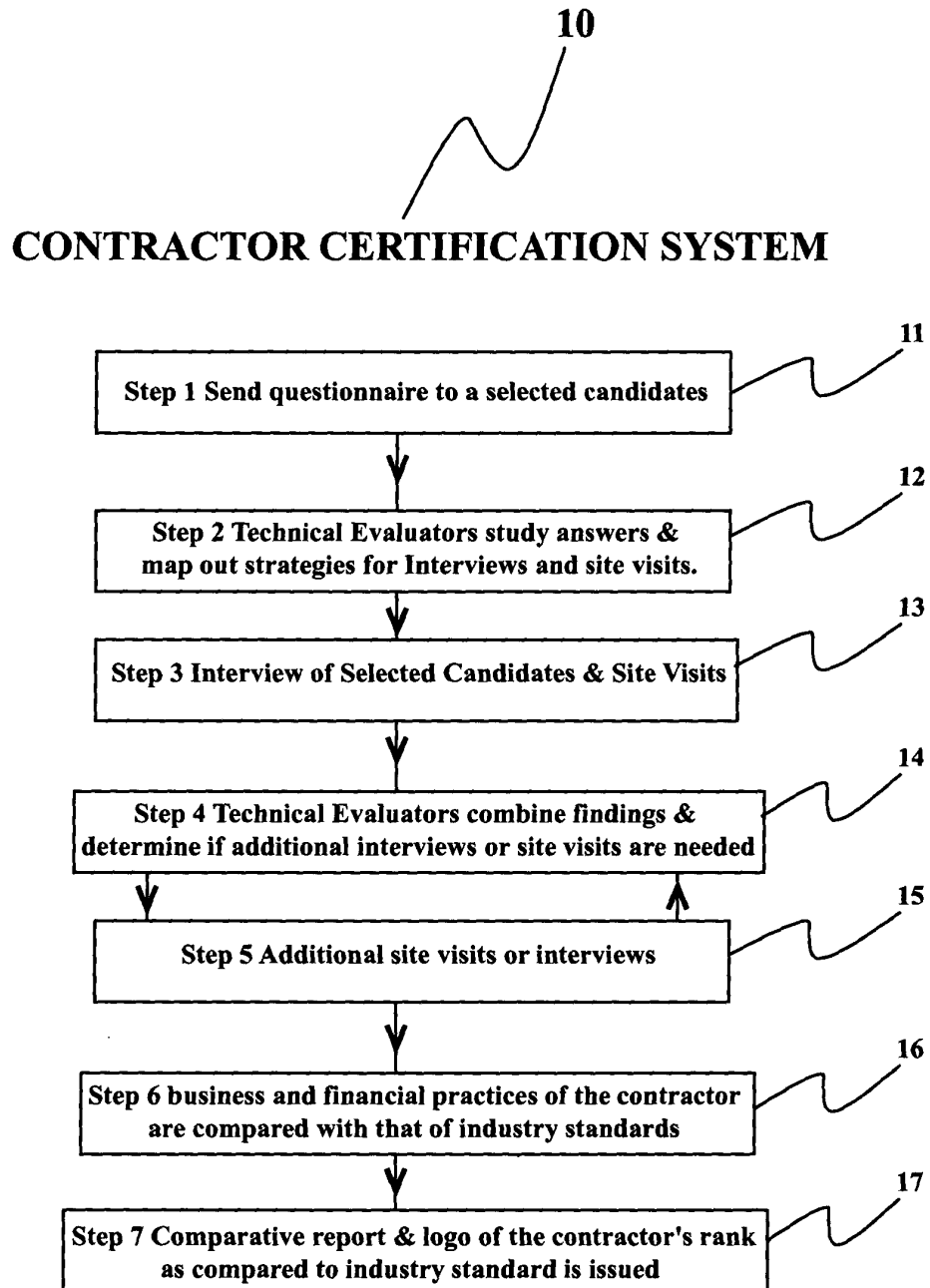


Fig. 2.

Construction Risk Technology			
TECH CERT		General Contractor Assessment	
Necessary Pre-Meeting information to be provided by the contractor			
Annual Revenue Circle One \$5M>\$25M \$26M>\$100M \$101M>\$250M \$251M>\$750M >\$750tk			
A. ORGANIZATION			
<u>1. Organizational Structure</u>			
	a. Type	1) Sole Proprietor[] 2) Sub Chapter[] 3) Corporation []	
	b. District Offices	1) Yes[] 2) No[]	
Oper Hi..Lo	c. Operating States		
Org Hi..Lo	d. Mission Statement	1) Yes[] 2) No[] 3) How practiced	
<u>2. Management Reporting (Internal)</u>			
Opr	a. Organizational priorities:	1) estimating 2) operations 3) accounting	
	(Where does Senior Mgm't get most of their pre-decision information?)		
	b. Concerns: i.e. Organizational breakdowns, over reliance, etc.)		
	1) Have there been any organizational areas that need improvement (a) No[]		
<u>3. Authority/Approvals</u>			
Sr.Mgmt	a. Plan giving authority	1) Yes[] 2) No[]	\$ Limits
Sr.Mgmt	b. Changes w/o CEO approval	1) Yes[] 2) No[]	
Sr.Mgmt	c. Delegations:	1) Estimating [] 2) Buyout [] 3) Operations []	
	d. Hiring/Firing: Who has the authority, when can it be exercised?		
	e. Employee Handbook	1) Yes[] 2) No[]	
<u>4. Internal Communications (Providing information/Data Exchange)</u>			
Val/Imp	a. Field Operations		
	1) With Financial	How often (a) daily [] (b) weekly [] (c) biweekly []	
	2) With CEO	How often (a) daily [] (b) weekly [] (c) biweekly []	
Val/Imp	b. Financial		
	1) With Operations	How often (a) daily [] (b) weekly [] (c) biweekly []	
	2) With CEO	How often (a) daily [] (b) weekly [] (c) biweekly []	
Val/Imp	c. Formal Transfer of Information	1) Yes[] 2) No[]	
	3) Define Methodology		
<u>5. Management Responsibilities</u>			
People	a. Training Program	1) Yes[] 2) No[]	
	1) In-House	a) Yes [] b) No []	
	2) Association	a) Yes [] b) No [] c) Assoc _____	
	3) Subjects covered:		
	4) Training of Field Personnel	a) By Whom	
Opr	b. Safety		
	1) Person Responsible	a) Field b) HO []	
Val/Imp	2) Job site Postings	a) Yes [] b) No []	
Val/Imp	3) Manual	a) Last Revision b) Date _____	
Val/Imp	4) Accident Reporting Forms	a) Yes [] b) No []	
	5) Outline Procedure		
People	c. Labor Mgm't		
	1) Policies on	a) Drug Testing [] b) Sexual Harassment [] c) Prior Injuries []	
		d) Family leave [] e) Background Checks [] f) Travel []	
	2). Workers Compensation	a) W/C Mod Rate b) [] %	

Fig. 3a.

Construction Risk Technology

B. CAPACITY

1. PROJECT INFORMATION

a. Marketing

- Opr 1) Markets a) Public ___% b) Private ___% c) Size \$ ___M
Opr 2) Marketing Philosophy
a) Solicitation 1) Internal 1) Yes[] 2)No[]
2) By whom a) Paid Commission 1) Yes[] 2)No[]
Opr 3) Green sheets 1) Yes[] 2)No[]
a) Select Bid List 1) Yes[] 2)No[]

b. Market Qualification

- Val/Imp 1) How are job's qualified for bidding? 2) Have Strategy 1) Yes[] 2)No[]
Val/Imp 2) Criteria- What makes the Difference a) Size b) Location c) PM (available)
Val/Imp 3) Necessary to have Manpower a) Yes[] b)No[] c) Obtainable []
4) Historic Workload a) Largest Single Project w/I 2 yrs
b) Largest Gross Revenue w/I 2 yrs \$_____
b) Lowest Gross Revenue w/I 2 yrs \$_____
Val/Imp 5)Owner Validation a) Contract Review b) Financial c) Prior Projects

c. Estimating

- Val/Imp 1) Estimating Practices a) Personnel b) # Full Time
a) Process for updating costs information (explain)
b) Review before submission (Checks & Balances) (explain)
People c) By whom 1) Error/ correction procedures
d) Quotes required per trade (1) #
e) Bid Spreads (1) Are Significant >5% checked (2) By Whom
People f) Who decides 'GO or NO GO'? (1) _____ (2) Success Ratio
(3) (# bid/ Win's) (4) _____ %
System 2) Job Costing (a)Last Update___ b) Normal Practice c) Monthly [] d) Weekly []
(e) By whom (1) Internal[] (2) External [] (3) Owner, GC, Other
[]
(4) Who can move costs between jobs (a) (Explain)

Val/Imp 3) Job Buy Out

- (a) Methodology (b) (explain)
(c) Checks and Balance (d) (explain)
(e) Sub/ Supplier (f) (explain) (g) Problems

4) Statutory Compliance

- a) Equal Employment Opportunity etc.
b) Safety
(i) Job site (ii) Postings (iii) Yes [] (iv) No []
c) Accident Reporting (i) Outline Procedure
d) Forms (i) Yes [] (ii) No []

5) OSHA

- (a) Penalty History (b) Citations (c) # [] (d) Courtesy Inspections (e) Yes [] (f)
No [] (g) How often

Fig. 3b.

Construction Risk Technology			
B. CAPACITY (contd)			
2. CURRENT PROJECTS			
a. Location of Current work			
1) State(s) _____			
2) Distance from HO _____	3) Miles []		
4) Type _____	5) Structure _____	6) Utility _____	
7) Size _____	8) Compared to past 3 yrs _____	9) % Increase []	
10) Duration _____	11) Average _____ Months	12) Longest Single _____ Months	
b. WIP Schedule			
		a. DATE _____	
1) Over billed (Project) _____	2) (reason) _____		
a) Use of funds _____	b) Liquidity _____		
3) Under billed (Project) _____	4) (reason) _____		
a) Owner problem _____	b) Architect problem _____	c) Claim _____	
d) Historic success in collecting _____	e) _____ %		
c. Gross Margins			
1) Consistency on completed jobs _____	2) _____ %	3) (we can track this) _____	
4) Consistency on open work. _____	5) _____ %		
Adm _____			
d. Job Close Out			
1) Timely job close out _____ (days)			
a) Delayed close out pat completion date _____ Months			
e. Warranty work			
1) Self performed _____			
2) _____ %			
f. Profit Slippage			
before 65% [] Later than 65% []			
Val/Imp 1) Action Plan for job/profit slippage _____			
Val/Imp People	a) Project Isolation	(1) Yes []	(2) No []
Val/Imp People	b) Sub's problem	(1) Default (i) Yes []	(ii) No []
	(2) Finance	(i) Yes []	(ii) No []
	(2) Sub Bonded	(i) Yes []	(ii) No []
Val/Imp	c) Other Action (explain) _____		
Val/Imp People	d) Project Management change	(1) Experience	
	Sr. Mgmt involvement	(1) Yes []	(2) No [] (3) Depends []
] BEST SOLUTION (EXPLAIN) _____			
g. Project Losses			
a) Disclose your surety (1) Never [] (2) Depends []			
b) (at what level) (1) Company person Local [] National [] (2) Agent []			
3. OPERATIONAL PERSONNEL			
a. Project Managers 1) # _____ 2) Turnover _____ 3) Add [] 4) Lose []			
b. Experience 1) Years as PM _____			
c. Time with company 1) Months _____) Years _____			
d. Training 1) Courses regularly given to employees (a) Yes [] (b) No []			
e. Are all EE's reviewed annually (1) Yes [] (2) No []			

Fig. 3c.

Construction Risk Technology									
4. CONSTRUCTION SERVICES									
a. Scheduling									
1) Provided	(1) Yes []	(2) No []	In house	(1) Yes []	(2) No []				
Systems Val/Imp	2) How often	All jobs []	Some []	_____ %					
Systems Val/Imp	3) Outsourced	(1) Yes []	(2) No []						
Systems Val/Imp	4) Loaded	Man-hour []	Unit []	\$Cost []					
Systems Val/Imp	5) Updated	Monthly []	Quarterly []						
Systems Val/Imp	6) How schedule is controlled								
Systems Val/Imp	7) Equipment Utilized:	Primavera []	Project Manager []						
b. Project Costing									
									Last update _____
Systems Val/Imp	1) Normal practice	Monthly []	Weekly []	Daily []					
Systems Val/Imp	2) By whom	Internal []	External []	(Owner, GC, Other)					
Systems Val/Imp	3) Field Training on Costing	Yes []	No []						
Systems Val/Imp	4) Who can move costs between jobs	(Explain)							
c. Project Supervision									
Val/Imp	1) Coordination responsibility	On Site	Yes []	No []					
Val/Imp	2) Method utilized	(Explain)							
Val/Imp	3) Change Conditions	Reported timely							
Val/Imp	4) Crews knowledgeable about assignments	Yes []	No []						
Val/Imp	5) Diaries required	Yes []	No []						
d. Project Administration									
Val/Imp	1) Progress Payments	Prepared by	Field []	HO []					
Val/Imp	2) Sub's Payments	When paid?	Yes []	No []	# of days late _____				
Val/Imp	3) Project reviews	By whom	How often						
Val/Imp	4) Change Orders	Average per Project	[]	Processed by _____					
Val/Imp	5) RFI's	Average per Project	[]	Processed by _____					
Val/Imp	6) Claims	Average per Project []	Value [\$]	Nature of claims (explain)					
e. Mediation/ Arbitration (last 3 yrs)									
		# of claims	[]	Won []	Lost []				
Val/Imp Neg	Description	Person Responsible for preparation	Examine a file						
f. Litigation (last 3 yrs)									
		# of claims	[]	Won []	Lost []				
Val/Imp Neg	Description	Attorney/ Firm	Examine a file						
g. Jobsite Management									
Val/Imp	Owner GC meetings								
	Attendee	How often	Weekly []	Monthly []					
		Meeting Minutes	Yes []	No []	Sent to HO	Yes []	No []		
Val/Imp	Training Program								
	In house	Yes []	No []						
	Association	Yes []	No []	Assoc _____					
Val/Imp	Safety Program								
	Person Responsible	Field []	HO []						
	Job site	Postings	Yes []	No []					
	Manual	Last Revision	(Date _____)						
	Accident reporting (onsite)	Forms	Yes []	No []					
	Procedure	Violation Notices	Yes []	No []					
	Tail gate meetings	Attendance Log	Yes []	No []					

Fig. 4a.



Fig. 4b.


 Contractor Assessment	
Contractor: Hensel Phelps, So. CA District	Date 6/9/03
PROFILE	
Specialty	General Contractor
Subspecialty	Concrete form, place finish
Form of Organization	S Corp
HO Staff Size	120
Union or Open Shop	Primarily Open Shop
% of work subcontracted	77%
Operating area	Nationally
Total volume limit	\$2.6 Billion
Project Size	\$500 Million
Public/Market	51-75% volume
Optimum # projects	>20
Optimum project size	>30 million
Primary emphasis is on budgeting, Multiple Subcontractor Bids, Cost Control Accounting, Project Management & Staff, Subcontractor Relations, Heavy Staff & Systems Reliance, Core Management & Field Labor Group, Decentralized project management. Facilitator ID 516.	
Total number of active projects _____	

Fig. 4c.

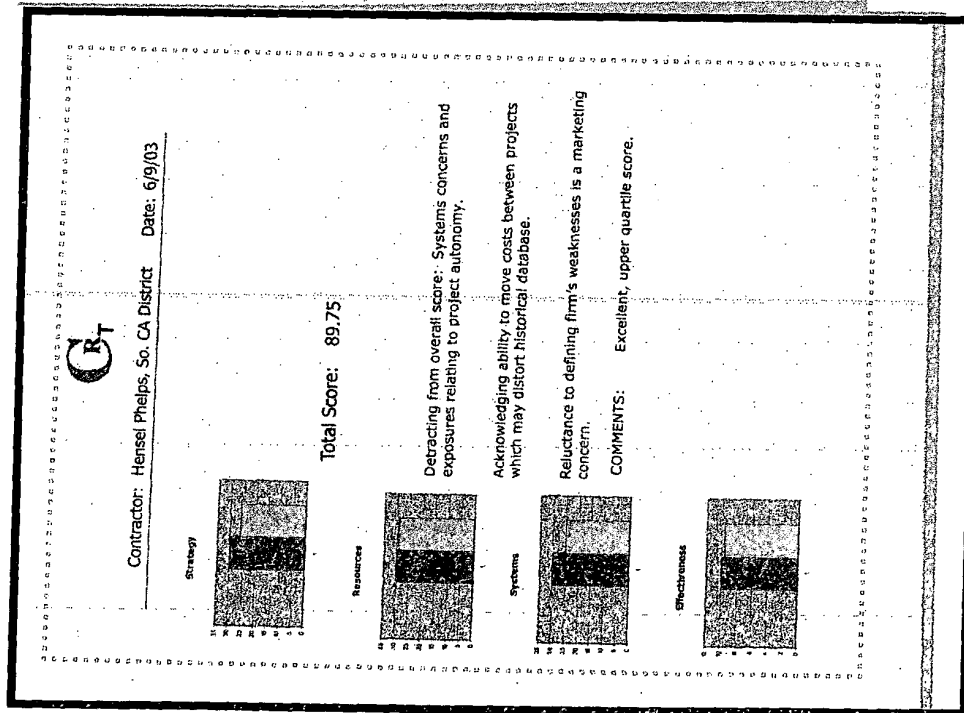


Fig. 4d.

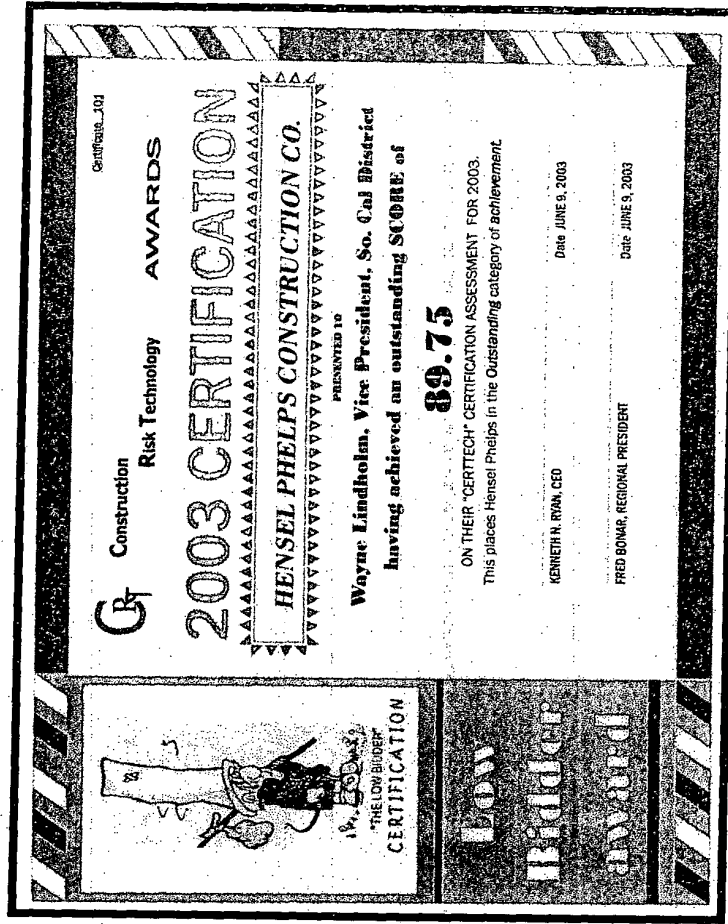


Fig. 5.

CERTIFICATION PROCESS

